

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

In re NEXT GENERATION TECHNOLOGY, INC.

Debtor

Case No. 10-11416-JMP

Reporting Period: 6/1/10 - 6/30/10

Federal Tax I.D. # 13-4144544

**CORPORATE MONTHLY OPERATING REPORT**

File with the Court and submit a copy to the United States Trustee within 20 days after the end of the month and submit a copy of the report to any official committee appointed in the case.

*(Reports for Rochester and Buffalo Divisions of Western District of New York are due 15 days after the end of the month, as are the reports for Southern District of New York.)*

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	<u>MOR-1</u>	X	
Bank Reconciliation (or copies of debtor's bank reconciliations)	<u>MOR-1 (CONT)</u>	X	
Copies of bank statements		X	
Cash disbursements journals		X	
Statement of Operations	<u>MOR-2</u>	X	
Balance Sheet	<u>MOR-3</u>	X	
Status of Post-petition Taxes	<u>MOR-4</u>	X	
Copies of IRS Form 6123 or payment receipt			Not paid yet
Copies of tax returns filed during reporting period			N/A
Summary of Unpaid Post-petition Debts	<u>MOR-4</u>	X	
Listing of Aged Accounts Payable		X	
Accounts Receivable Reconciliation and Aging	<u>MOR-5</u>	X	
Taxes Reconciliation and Aging	<u>MOR-5</u>	X	
Payments to Insiders and Professional	<u>MOR-6</u>		N/A
Post Petition Status of Secured Notes, Leases Payable	<u>MOR-6</u>		N/A
Debtor Questionnaire	<u>MOR-7</u>	X	

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor

Date

Signature of Authorized Individual\*

Date

Printed Name of Authorized Individual

Date

\*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

### SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Amounts reported should be from the debtor's books and not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CON'T)]

ACCOUNT NUMBER (LAST 4)	BANK ACCOUNTS				CURRENT MONTH ACTUAL (TOTAL OF ALL ACCOUNTS)
	OPER	PAYROLL	TAX	OTHER	
<b>CASH BEGINNING OF MONTH</b>	65,370				65,370
<b>RECEIPTS</b>					
CASH SALES					
ACCOUNT'S RECEIVABLE - PREPETITION	114,530				114,530
ACCOUNTS RECEIVABLE - POSTPETITION					0
LOANS AND ADVANCES					0
SALE OF ASSETS					0
OTHER (ATTACH LIST)					0
TRANSFERS (FROM DIP ACCTS)					0
<b>TOTAL RECEIPTS</b>	114,530	0	0	0	114,530
<b>DISBURSEMENTS</b>					
NET PAYROLL	-45,344				-45,344
PAYROLL TAXES					0
SALES, USE, & OTHER TAXES					0
INVENTORY PURCHASES					0
SECURED/ RENTAL/ LEASES					0
INSURANCE	-267				-267
ADMINISTRATIVE	-10,360				-10,360
SELLING					0
OTHER (ATTACH LIST) Interest					0
OWNER DRAW *					0
TRANSFERS (TO DIP ACCTS)					0
PROFESSIONAL FEES	-15,036				-15,036
U.S. TRUSTEE QUARTERLY FEES					0
COURT COSTS					0
<b>TOTAL DISBURSEMENTS</b>	-71,007	0	0	0	-71,007
<b>NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)</b>	43,524	0	0	0	43,524
<b>CASH - END OF MONTH</b>	108,894	0	0	0	108,894

\* COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

### THE FOLLOWING SECTION MUST BE COMPLETED

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)

<b>TOTAL DISBURSEMENTS</b>	
LESS: TRANSFERS TO OTHER DEBTOR IN POSSESSION ACCOUNTS	
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	
<b>TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES</b>	

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A bank reconciliation must be included for each bank account. The debtor's bank reconciliation may be substituted for this page. (Bank account numbers may be redacted to last four numbers.)

\*"Adjusted Bank Balance" must equal "Balance per Books"

Year	1990	1991	1992	1993	1994	1995
1990	1991	1992	1993	1994	1995	1996
1991	1992	1993	1994	1995	1996	1997
1992	1993	1994	1995	1996	1997	1998
1993	1994	1995	1996	1997	1998	1999
1994	1995	1996	1997	1998	1999	2000
1995	1996	1997	1998	1999	2000	2001
1996	1997	1998	1999	2000	2001	2002
1997	1998	1999	2000	2001	2002	2003
1998	1999	2000	2001	2002	2003	2004
1999	2000	2001	2002	2003	2004	2005
2000	2001	2002	2003	2004	2005	2006
2001	2002	2003	2004	2005	2006	2007
2002	2003	2004	2005	2006	2007	2008
2003	2004	2005	2006	2007	2008	2009
2004	2005	2006	2007	2008	2009	2010
2005	2006	2007	2008	2009	2010	2011
2006	2007	2008	2009	2010	2011	2012
2007	2008	2009	2010	2011	2012	2013
2008	2009	2010	2011	2012	2013	2014
2009	2010	2011	2012	2013	2014	2015
2010	2011	2012	2013	2014	2015	2016
2011	2012	2013	2014	2015	2016	2017
2012	2013	2014	2015	2016	2017	2018
2013	2014	2015	2016	2017	2018	2019
2014	2015	2016	2017	2018	2019	2020
2015	2016	2017	2018	2019	2020	2021
2016	2017	2018	2019	2020	2021	2022
2017	2018	2019	2020	2021	2022	2023
2018	2019	2020	2021	2022	2023	2024
2019	2020	2021	2022	2023	2024	2025
2020	2021	2022	2023	2024	2025	2026
2021	2022	2023	2024	2025	2026	2027
2022	2023	2024	2025	2026	2027	2028
2023	2024	2025	2026	2027	2028	2029
2024	2025	2026	2027	2028	2029	2030
2025	2026	2027	2028	2029	2030	2031
2026	2027	2028	2029	2030	2031	2032
2027	2028	2029	2030	2031	2032	2033
2028	2029	2030	2031	2032	2033	2034
2029	2030	2031	2032	2033	2034	2035
2030	2031	2032	2033	2034	2035	2036
2031	2032	2033	2034	2035	2036	2037
2032	2033	2034	2035	2036	2037	2038
2033	2034	2035	2036	2037	2038	2039
2034	2035	2036	2037	2038	2039	2040
2035	2036	2037	2038	2039	2040	2041
2036	2037	2038	2039	2040	2041	2042
2037	2038	2039	2040	2041	2042	2043
2038	2039	2040	2041	2042	2043	2044
2039	2040	2041	2042	2043	2044	2045
2040	2041	2042	2043	2044	2045	2046
2041	2042	2043	2044	2045	2046	2047

In re NEXT GENERATION TECHNOLOGY, INC.  
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Case No. 10-11416-JMP  
Reporting Period: 6/1/10 - 6/30/10

**STATEMENT OF OPERATIONS (Income Statement)**

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

REVENUES	MONTH	CUMULATIVE - FILING TO DATE
Gross Revenues		
Less: Returns and Allowances		
Net Revenue		
<b>COST OF GOODS SOLD</b>		
Beginning Inventory		
Add: Purchases		
Add: Cost of Labor		
Add: Other Costs ( <i>attach schedule</i> )		
Less: Ending Inventory		
Cost of Goods Sold		
Gross Profit		
<b>OPERATING EXPENSES</b>		
Advertising		
Auto and Truck Expense		
Bad Debts		
Contributions		
Employee Benefits Programs		
Officer/Insider Compensation*		
Insurance		
Management Fees/Bonuses		
Office Expense		
Pension & Profit-Sharing Plans		
Repairs and Maintenance		
Rent and Lease Expense		
Salaries/Commissions/Fees		
Supplies		
Taxes - Payroll		
Taxes - Real Estate		
Taxes - Other		
Travel and Entertainment		
Utilities		
Other ( <i>attach schedule</i> )		
Total Operating Expenses Before Depreciation		
Depreciation/Depletion/Amortization		
Net Profit (Loss) Before Other Income & Expenses		
<b>OTHER INCOME AND EXPENSES</b>		
Other Income ( <i>attach schedule</i> )		
Interest Expense		
Other Expense ( <i>attach schedule</i> )		
Net Profit (Loss) Before Reorganization Items		

In re NEXT GENERATION TECHNOLOGY, INC.

Debtor

Case No. 10-11416-JMPReporting Period: 6/1/10 - 6/30/10

REORGANIZATION ITEMS		
Professional Fees		
U. S. Trustee Quarterly Fees		
Interest Earned on Accumulated Cash from Chapter 11 <i>(see continuation sheet)</i>		
Gain (Loss) from Sale of Equipment		
Other Reorganization Expenses <i>(attach schedule)</i>		
Total Reorganization Expenses		
Income Taxes		
Net Profit (Loss)		

\*\*"Insider" is defined in 11 U.S.C. Section 101(31).

**BREAKDOWN OF "OTHER" CATEGORY**

## OTHER COSTS


## OTHER OPERATIONAL EXPENSES


## OTHER INCOME


## OTHER EXPENSES


## OTHER REORGANIZATION EXPENSES


**Reorganization Items - Interest Earned on Accumulated Cash from Chapter 11:**

Interest earned on cash accumulated during the chapter 11 case, which would not have been earned but for the bankruptcy proceeding, should be reported as a reorganization item.

In re NEXT GENERATION TECHNOLOGY, INC.  
Debtor

Case No. 10-11416-JMP  
Reporting Period: 6/30/2010

# BALANCE SHEET

The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from post-petition obligations.

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE OR SCHEDULED
<b>CURRENT ASSETS</b>	<b>30-Jun</b>	<b>31-May</b>	<b>18-Mar</b>
Unrestricted Cash and Equivalents	108,894	65,370	22,795
Restricted Cash and Cash Equivalents ( <i>see continuation sheet</i> )			
Accounts Receivable (Net)	203,244	184,064	201,084
Notes Receivable	4,000	4,000	4,000
Inventories			
Prepaid Expenses	11,334	11,334	14,703
Professional Retainers			
Other Current Assets ( <i>attach schedule</i> )	2,914	2,914	2,684
<b>TOTAL CURRENT ASSETS</b>	<b>330,385</b>	<b>267,682</b>	<b>245,266</b>
<b>PROPERTY &amp; EQUIPMENT</b>			
Real Property and Improvements			
Machinery and Equipment			
Furniture, Fixtures and Office Equipment	97,079	97,079	97,079
Leasehold Improvements			
Vehicles			
Less: Accumulated Depreciation	-69,060	-69,060	-69,060
<b>TOTAL PROPERTY &amp; EQUIPMENT</b>	<b>28,019</b>	<b>28,019</b>	<b>28,019</b>
<b>OTHER ASSETS</b>			
Amounts due from Insiders*			
Other Assets ( <i>attach schedule</i> )	781,677	781,677	781,678
<b>TOTAL OTHER ASSETS</b>	<b>781,677</b>	<b>781,677</b>	<b>781,678</b>
<b>TOTAL ASSETS</b>	<b>1,140,081</b>	<b>1,077,378</b>	<b>1,054,963</b>
LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE
<b>LIABILITIES NOT SUBJECT TO COMPROMISE (Postpetition)</b>			
Accounts Payable	118,266	90,451	0
Taxes Payable ( <i>refer to FORM MOR-4</i> )	57,715	32,542	0
Wages Payable	43,378	52,657	0
Notes Payable			0
Rent / Leases - Building/Equipment			
Secured Debt / Adequate Protection Payments			
Accrued Interest	9,000		
Amounts Due to Insiders*			0
Other Post-petition Liabilities ( <i>attach schedule</i> )	3,419		
<b>TOTAL POST-PETITION LIABILITIES</b>	<b>231,779</b>	<b>175,650</b>	<b>0</b>
<b>LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)</b>			
Pre-Petition Payments	-76,648	-70,847	
Pre-Petition Wage Payments		-30,713	
<b>TOTAL PRE-PETITION LIABILITIES</b>	<b>2,599,870</b>	<b>2,599,870</b>	
<b>TOTAL LIABILITIES</b>	<b>2,755,001</b>	<b>2,673,960</b>	<b>0</b>
<b>OWNERS' EQUITY</b>			
Capital Stock			
Additional Paid-In Capital	370,671	370,671	370,671
Partners' Capital Account			
Owner's Equity Account			
Retained Earnings - Pre-Petition	-1,915,578	-1,915,578	-1,915,578
Retained Earnings - Post-petition	-70,012	-51,675	
Adjustments to Owner Equity ( <i>attach schedule</i> )			
Post-petition Contributions ( <i>attach schedule</i> )			
<b>NET OWNERS' EQUITY</b>	<b>-1,614,919</b>	<b>-1,596,582</b>	<b>-1,544,907</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>1,140,082</b>	<b>1,077,378</b>	<b>-1,544,907</b>

\*\*Insider\* is defined in 11 U.S.C. Section 101(31).

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In re NEXT GENERATION TECHNOLOGY, INC.

Debtor

Case No. 10-11416-JMPReporting Period: 6/30/2010**BALANCE SHEET - continuation section**

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE
Other Current Assets			
Other Assets			
LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH		BOOK VALUE ON PETITION DATE
Other Post-petition Liabilities			
Adjustments to Owner's Equity			
Post-Petition Contributions			

Restricted Cash: Cash that is restricted for a specific use and not available to fund operations.  
Typically, restricted cash is segregated into a separate account, such as an escrow account.

In re NEXT GENERATION TECHNOLOGY, INC.  
Debtor

Case No. 10-11416-JMP  
Reporting Period: 6/1/10 -6/30/2010

### STATUS OF POST-PETITION TAXES

The beginning tax liability should be the ending liability from the prior month or, if this is the first report, the amount should be zero.

Attach photocopies of IRS Form 6123 or payment receipt to verify payment or deposit of federal payroll taxes.

Attach photocopies of any tax returns filed during the reporting period.

Federal	Beginning Tax	Amount Withheld and/or Accrued	Amount Paid	Date Paid	Check # or EFT	Ending Tax
Withholding	11,814	9,539				21,353
FICA-Employee	8,519	5,859				14,378
FICA-Employer	8,519	5,859				14,378
Unemployment	147	198				345
Income	0					0
Other:	0					0
Total Federal Taxes	28,999	21,456	0	0	0	50,455
State and Local						
Withholding	2,366	2,632				4,998
Sales						0
Excise						0
Unemployment	466	294				760
Real Property						0
Personal Property						0
Other:	712	790				1,502
Total State and Local	3,544	3,716	0	0	0	7,260
Total Taxes	32,543	25,172	0	0	0	57,715

### SUMMARY OF UNPAID POST-PETITION DEBTS

Attach aged listing of accounts payable.

	Number of Days Past Due					Total
	Current	0-30	31-60	61-90	Over 91	
Accounts Payable	40,659	40,778	25,031	11,798		118,266
Wages Payable	43,378					43,378
Taxes Payable	25,173	16,417	10,621	5,504		57,715
Rent/Leases-Building						0
Rent/Leases-Equipment						0
Secured Debt/Adequate Protection Payments						0
Professional Fees						0
Amounts Due to Insiders						0
Other:			3,420			3,420
Other: Interest	3,600	3,600	1,800			9,000
Total Post-petition Debts	112,810	60,795	40,872	17,302	0	231,779

Explain how and when the Debtor intends to pay any past due post-petition debts.

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Case No. 10-11416-JMP

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Reporting Period: 6/30/2010

## ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Reconciliation	Amount
Total Accounts Receivable at the beginning of the reporting period	184,064
Plus: Amounts billed during the period	122,047
Less: Amounts collected during the period	102,867
Total Accounts Receivable at the end of the reporting period	203,244

Accounts Receivable Aging	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
0 - 30 days old	182,284				182,284
31 - 60 days old		10,434			10,434
61 - 90 days old					0
91+ days old				10,526	10,526
Total Accounts Receivable					0
Less: Bad Debts (Amount considered uncollectible)					0
Net Accounts Receivable	182,284	10,434	0	10,526	203,244

## TAXES RECONCILIATION AND AGING

Taxes Payable	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
0 - 30 days old	25,172				25,172
31 - 60 days old		16,417			16,417
61 - 90 days old			10,621		10,621
91+ days old				5,504	5,504
Total Taxes Payable	25,172	16,417	10,621	5,504	57,714
Total Accounts Payable	40,659	40,778	25,031	11,798	118,266

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Case No. 10-11416-JMP  
Reporting Period: 6/1/10 - 6/30/10

### PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown on the Cash Receipts and Disbursements Report (MOR-1) list the amount paid to insiders (as defined in Section 101(31) (A)-(F) of the U.S. Bankruptcy Code) and to professionals. For payments to insiders, identify the type of compensation paid (e.g. Salary, Bonus, Commissions, Insurance, Housing Allowance, Travel, Car Allowance, Etc.). Attach additional sheets if necessary.

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
TOTAL PAYMENTS TO INSIDERS			

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID*
TOTAL PAYMENTS TO PROFESSIONALS					

\* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED

### POST-PETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENT DUE	AMOUNT PAID DURING MONTH	TOTAL UNPAID POST-PETITION
TOTAL PAYMENTS			

**DEBTOR QUESTIONNAIRE**

Must be completed each month. If the answer to any of the questions is "Yes", provide a detailed explanation of each item. Attach additional sheets if necessary.		Yes	No
1	Have any assets been sold or transferred outside the normal course of business this reporting period?		X
2	Have any funds been disbursed from any account other than a debtor in possession account this reporting period?		X
3	Is the Debtor delinquent in the timely filing of any post-petition tax returns?	1'st Qtr	
4	Are workers compensation, general liability or other necessary insurance coverages expired or cancelled, or has the debtor received notice of expiration or cancellation of such policies?		X
5	Is the Debtor delinquent in paying any insurance premium payment?		X
6	Have any payments been made on pre-petition liabilities this reporting period?		X
7	Are any post petition receivables (accounts, notes or loans) due from related parties?		X
8	Are any post petition payroll taxes past due?		X
9	Are any post petition State or Federal income taxes past due?		X
10	Are any post petition real estate taxes past due?		X
11	Are any other post petition taxes past due?		X
12	Have any pre-petition taxes been paid during this reporting period?		X
13	Are any amounts owed to post petition creditors delinquent?		X
14	Are any wage payments past due?		X
15	Have any post petition loans been received by the Debtor from any party?		X
16	Is the Debtor delinquent in paying any U.S. Trustee fees?		X
17	Is the Debtor delinquent with any court ordered payments to attorneys or other professionals?		X
18	Have the owners or shareholders received any compensation outside of the normal course of business?		X